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SUBJECT: SECRETARY RICE'S SEPTEMBER 16, 2008 CONVERSATION
WITH PANAMANIAN PRESIDENT MARTIN TORRIJOS

Classified By: WHA A/S Shannon for reasons 1.4 (b) and (d).

- 11. (U) September 16, 2008; 9:30-10:00 a.m.; Washington, DC, USA.
- 12. (U) Participants:

U.S.
The Secretary
Assistant Secretary Tom Shannon
Assistant Secretary Sean McCormack
Ambassador Barbara Stephenson
Skye Justice (WHA Notetaker)

Panama

President Martin Torrijos First Vice President and Foreign Minister Samuel Lewis Navarro Ambassador Federico Humbert Luis Melo (President's Notetaker)

¶3. (C) SUMMARY: Secretary Rice and Panamanian President Martin Torrijos discussed the pending Congressional approval of the U.S.-Panama Trade Promotion Agreement (TPA), Bolivia, recognition of Kosovo and Georgia's breakaway regions, counternarcotics and security cooperation, and proposed a cooperative educational initiative. Both commented on the excellent state of U.S.-Panama relations, and the Secretary expressed U.S. commitment to Congressional approval of the TPA, but stressed that agreements be submitted to Congress in the order they were signed. Torrijos agreed only to coordinate policy on Kosovo and Georgia at the UN Security Council. End Summary.

US COMMITTED TO PANAMA TPA

14. (C) President Torrijos began the meeting with a description of his efforts to promote commercial ties between the United States and Panama and to advocate for Congressional approval of the U.S.-Panama TPA, adding that he had been well-received on Capitol Hill. The Secretary assured Torrijos the Administration remains committed to the ratification of the TPA, while noting that the Congressional calendar is complicated and the order of submitting agreements is important to ensure positive relations with all our trading partners. Torrijos expressed hope that if there is a trade vote, Panama would not be forgotten, and the Secretary responded that when there is a vote, Panama will be moved forward.

EVO MORALES, A ONE-MAN WRECKING BALL

15. (C) Responding to Torrijos' statement that U.S.-Panama cooperation had been excellent in a not-so-boring neighborhood, the Secretary stated that we look forward to continued good relations with Panama, with Central America, and with all our neighbors. To the south, we have done

everything we can to reach out to sustain relations with Bolivia; they have not reciprocated. The current situation cannot continue. The Secretary stated that Morales needs to act to stop confrontation, adding that Morales cannot govern without his governors. We don't want to see violence or challenges to territorial integrity in the hemisphere, but Morales has done all the wrong things. Comparing Morales to a one-man wrecking ball in a fragile place, she noted her hope that regional leaders would send him a strong message that the status quo must change.

NO PROMISES ON KOSOVO AND GEORGIA

16. (C) The Secretary encouraged Panama to recognize Kosovo, and noted that both Kosovo and Georgia needed to be brought closer to other European nations. She expressed great concern that Russia did not appreciate the gravity of the mistake it had made in invading Georgia, or of its bigger mistake of recognizing South Ossetia and Abkhazia. She asserted that there is no state of South Ossetia and no state of Abkhazia, and that other states cannot be allowed to treat the two breakaway regions as anything other than Georgian territory. She added that the United States considers such recognition a real challenge to our national security, and to world order. Torrijos responded only that Panama would coordinate with the United States on these issues in the UN Security Council.

PLANS FOR PATHWAYS MEETING

17. (C) President Torrijos asked about plans for the September 24 meeting of free trade partners in New York, and the Secretary responded that President Bush believes this is an excellent way to demonstrate the importance of free trade and coordinate more closely with our trade partners. She clarified that the intent of the meeting is not to create a closed club or formal organization, but rather to see how countries with free trade agreements can use them to grow their economies and promote opportunity. Torrijos added that he hoped President Bush and this group could outline a path for the next U.S. administration to move forward on free trade issues. Assistant Secretary Shannon suggested statements from the September 24 leaders meeting on the need to ratify the free trade agreements with Colombia and Panama would help the Administration demonstrate international concern to Congress. Torrijos responded that he would work with the group to draft a joint letter to this effect to Congressional leaders.

DEVELOPING ACADEMIC EXCHANGE PROGRAMS

18. (SBU) Torrijos suggested that a good way to enhance long-term relations between our countries was to focus on educational exchange programs. He noted that, while Panama has over 200 doctoral students abroad, many do not study in the United States because they lack English skills. Vice President Samuel Lewis noted that this was an area where he hoped Panama and the United States could cooperate, and the Secretary expressed her support for educational initiatives as both an academic and as Secretary of State. She proposed that she and Lewis sign a document, perhaps during UNGA, acknowledging our intent to cooperate on such an initiative.

MERIDA A GOOD STEP TOWARD IMPROVING SECURITY

19. (SBU) Torrijos praised our bilateral counternarcotics coordination, and the Secretary noted it was important to continue actively addressing narcotics trafficking. Torrijos noted that the Panamanian people are deeply concerned about insecurity and organized crime. He added that while all Central American countries would like increased funding via the Merida Initiative, it will make a good step toward improving security, and demonstrates that the United States

listens to its Latin American neighbors' security concerns.

RICE